



Irish Life Weekly Investment Bulletin

The week that was – WEEK 43 (ending 27/10/2017)

“Quality means doing it right when no one is looking.” – Henry Ford

Irish retail sales (ex-motors) rise 1.3% in September – According to latest figures from the Central Statistics Office (CSO), retail sales rose by 1.3% in September compared with August 2017 but fell by 2.4% when Motor Trades are included which dropped 18% on the month. Sterling weakness is encouraging UK motor imports.

ECB reduces stimulus by half – The European Central Bank announced an extension to its asset purchases until at least Sep 2018, while halving the monthly net amount to €30 billion starting in January and said interest rates will not increase until well past the end of the QE program. Eurozone stocks hit a nine-year high after.

Global stock market up 0.4% on the week – The MSCI AC World TR Index showed a 0.40% rise from the 20th October to 27th October, as the U.S. S&P 500 Index recorded a seventh consecutive weekly gain, its best run in nearly three years. Volatility, as measured by VIX, finished the week at 9.80, down from 9.97.

U.S. economy hits annualised growth rate of 3.0% in Q3 – The Commerce Department reported that Gross Domestic product increased at a 3.0% annual rate in the July-September period despite hurricanes Harvey and Irma. Economists polled by Reuters had forecast the economy growing at a 2.5% rate in the third quarter.

Spanish political crisis escalates – Spanish Prime Minister Mariano Rajoy dismissed the Catalan government and Catalonia’s police chief, Josep Lluís Trapero, while announcing regional elections for December 21st, after the regional parliament in Barcelona made a unilateral declaration of independence.

Abe has landslide victory in Japan’s general election – Sitting Japanese prime minister Shinzo Abe won a huge victory in the general election, attaining a two-thirds “supermajority” of the seats in the 465-member lower house election. A third term would make Abe the longest-serving Prime Minister in Japanese history.

The Story of the week: A bold, cheeky badger briefly replaced a family’s pet cat after the wild animal reportedly snuck into a home in Scotland through the cat flap, ate the feline’s food and took a nap in the cat bed. SPCA Officer Connie O’Neil, who was called to the Linlithgow home who came face-to-face with the cosy creature said getting the animal to leave took some effort “but then the badger noticed the back door was open so made a run for it!”.

DISCLOSURE: Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment and has not been prepared based on the financial needs or objectives of any particular person. It is intended for the use of institutional and other professional investors. Past performance and forecasts may not be a reliable guide to future performance and performance may fall as well as rise. Changes in currency exchange rates may have an adverse effect on the value, price or income of any investment asset.

Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 27/10)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	17.3
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	7.2
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	8.6
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	13.6
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	17.2
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	24.5
Nikkei 225	22.9	56.7	7.1	9.1	0.4	15.1
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	25.3
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	0.2
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.4
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.3
Japan	0.7	0.7	0.3	0.2	0.0	0.1
Ireland	4.5	3.4	1.3	1.1	0.7	0.6
Italy	4.6	4.1	2.1	1.6	1.8	1.8
Greece	12.7	8.2	9.6	7.9	7.1	5.5
Portugal	6.9	6.1	2.7	2.5	3.8	2.1
Spain	5.4	4.1	1.6	1.7	1.4	1.5
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.16
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.88
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.32
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	4.1% (to end of Q2)
U.K.	2.7	10.7	17.8	13.1	3.6	4.8% (to end of Q2)
U.S.	5.3	11.4	11.2	12.1	7.8	3.3% (to end of Q2)

*Past performance is not a reliable guide to future performance